BY TRICIA BISOUX
INFOGRAPHIC BY 2COMMUNIQUÉ

STARTING POINTS

How did AACSB's founders envision their industry? What issues were the most controversial through the years? The conversations, concerns, and course corrections that contributed to the creation of AACSB's accreditation standards.

IN 1900, TEXTBOOKS IN BUSINESS DISCIPLINES were scarce, advertising was taught in psychology departments, and the term "marketing" was not yet in common academic use. Only a few business schools existed, including the Wharton School of Finance and Commerce at the University of Pennsylvania, opened in 1881, and schools at the University of California and the University of Chicago, both opened in 1898. At the time, business schools had not yet determined a common objective or format for business education.

In the years leading up to World War I, businesses grew more complex, and their leaders began pressing academia to pay more attention to business disciplines. Public interest in business education escalated—between Wharton's founding in 1881 and the United States' entrance into WWI in 1917, 30 new business schools were founded. Between 1917 and 1928, 48 more opened, until the Great Depression stalled the industry's growth.

That was the historical backdrop of the first years of AACSB International. On June 16, 1916, representatives from 17 universities came to the University of Chicago to attend an invitation-only meeting convened by E.F. Gay, Leon C. Marshall, and A.E. Swanson—deans from Harvard University, the University of Chicago, and Northwestern University, respectively. Those attending discussed forming an association of business schools that would focus on "the improvement of collegiate education for business," which they called the American Association of Collegiate Schools of Business. Fourteen schools became founding members, including Harvard, Chicago, Northwestern, Columbia, Dartmouth, New York, Ohio State, and Tulane universities, and the universities of California, Nebraska, Pennsylvania, Pittsburgh, Texas, and Wisconsin. Colorado College, the University of Michigan, and the University of Cincinnati signed on later that same year.

The founding deans knew that by aligning their programs, they could serve the needs of business more effectively than they could by going it alone. What follows are milestones in the evolution of AACSB, its accreditation standards, and the industry since the association's 1916 beginnings.*

*Adapted from *The History of AACSB International*, Volumes 1 and 2, published by AACSB International.

1917

AACSB's provisional executive committee sets the first minimum standards for undergraduate business programs. These standards require member schools to accept only students who have completed at least 14 units of high school courses, to employ at least three full-time doctorally qualified professors, to pay faculty salaries high enough to ensure educational quality, and to focus at least 40 percent of the undergraduate courses on topics related to commercial trade or economics. In addition, schools must offer courses in five core disciplines: finance, accounting, business law, marketing, and statistics.

1919

With the intervention of World War I, the newly formed association is unable to hold its first annual meeting until November 1919. At that time, members vote to adopt the new standards for AACSB-member schools. The title of a key presentation is "What Are the Basic Elements and Their Proper Balance in a Business School Curriculum?"

1929

AACSB's membership approves the first substantial change to the 1919 standards, requiring that each member school "shall have been established as a distinct school or college—not as a department of a college of liberal arts—of a college or university."

1936

In November, professors from the University of Michigan and the University of Chicago send letters to faculty teaching management courses, inviting them to a meeting at the University of Chicago to discuss forming an organization to advance the philosophy of management. Attendees at that meeting, held December 28, 1936, call the new organization the Academy of Management.

1938

The standards are revised to limit faculty teaching loads to no more than 15 hours per week to assure that no individual professor's politics disproportionately influence a school's curriculum. At the same time, the standards also are changed to make "due allowance...for regional objectives," an early shift toward more qualitative, mission-based standards.

At the 1938 annual meeting, discussion centers on how much emphasis to place on qualitative versus quantitative standards. Some members advocate setting precise minimums in areas such as faculty salaries, teaching hours, and full-time faculty. However, J. Freeman Pyle, dean at Marquette University, refers to such measurements as "rather mechanical," noting that "while our objective is to secure quality instruction by such quantitative standards, we are likely to become so involved in our figures that we will lose sight of the original objective and tend to emphasize the means rather than the end." Pyle specifically questions the value of setting salary minimums, saying, "Many of us probably could name excellent college instructors who are worth twice their present salaries. When I was a student in college, I knew full professors who, I thought, were not worth half of what they were paid."

Pyle will continue to promote standards that allow business schools the freedom to experiment: "Standardizing practice should not be carried so far as to hamper seriously sound experimentation in methodology," he notes, "or to discourage or penalize adjustments in statements or objectives."

1939

AACSB begins assigning pairs of individuals to make accreditation visits to the campuses of applicant schools. Previously, only a report from a dean at a nearby member school was required.

1942

At AACSB's annual meeting, held during World War II five months after the bombing at Pearl Harbor, J. Anderson Fitzgerald, AACSB president and dean at the University of Texas, tells members that the conflict could mean that some schools seeking membership could "have some difficulties with reference to some of the standards." Fitzgerald goes on to say, "my idea, with regard to member institutions, would be to maintain our standards as far as we can, and if there are any deficiencies, wink at them until we have peace."

1947

The post-WWII era and the G.I. Bill, which offers funds for veterans' tuition, sparks substantial growth in b-school enrollments—and pressure on AACSB to denote quality in collegiate business education. The executive committee suggests revising the standards to require that 50 percent of a school's faculty hold terminal degrees; that maximum teaching loads be decreased to 12 hours per week; that junior- and senior-level undergraduate courses be taught by full-time professors; and that schools have libraries with "adequate" resources in every discipline their faculty teach.

1948

In the midst of AACSB's growing pains, the deans of member schools debate the larger purpose of the organization at its annual meeting. "Is this association to be an agency for deans, or is this to be an accrediting agency? We have been very much confused over this in the past," says AACSB president L.J. Buchan, dean at Tulane University. "The Executive Committee feels that this should be an accrediting agency, and, if it is to be that, the next step in thinking is, how does an accrediting agency work? Can it function by picking out only a few large schools at the top and say they are accredited and others are not?" Buchan references law schools, which "have found they could do more to further education in this country by having more schools in their organization."

1949

Members consider changing the number of disciplines schools must teach, and go on to add industrial management and economics to the original five areas set in 1917. At this time, teaching management is viewed as the larger purpose of business education, not as an isolated discipline.

A group of U.S. college and university presidents establishes the National Commission on Accrediting (NCA), aiming to create a system in which regional bodies accredit all of a school's programs at once. Soon after, the commission calls for AACSB to cease accrediting business schools. AACSB's executive committee agrees, placing a moratorium on its accreditation visits.

$6,000

The average salary for a business professor in 1951.

1953

Business schools at Harvard, the University of Chicago, Northwestern, the University of Pennsylvania, and Washington University commission the Educational Testing Service to develop the Admissions Test for Graduate Studies in Business (ATGSB), known today as the GMAT. ETS had introduced the Graduate Record Exam, or GRE, to graduate schools just four years earlier in 1949.

Realizing that regional bodies do not have the capacity to assume the full institutional accreditations, the NCA requests that AACSB and other professional accrediting bodies resume accreditation activities in their disciplinary emphases. AACSB's executive committee agrees, and the NCA plan to transition to regionally based whole-school accreditation never comes to fruition.

1957

A new AACSB committee develops a standard to promote further experimentation in school programs. Members unanimously approve a revision to the standards recommending "that members inform each other and the association's Executive Committee of significant experimental or new programs in (marked) exception to the existing Standards of Membership."

1961

The NCA formally recognizes AACSB as the official accrediting body for collegiate schools of business in the U.S.

1963

AACSB announces that 53 schools will be the first to receive its accreditation for graduate programs.

23,000

undergraduate and

6,000

graduate degrees are awarded by AACSB-member schools in 1966.

1966

AACSB opens its first formal offices on the campus of Washington University in St. Louis, Missouri.

1967

Eight MBA graduates from the U.S. and U.K. found the London-based Business Graduates Association to raise the public's awareness of the benefits of MBA education. The organization begins accrediting MBA programs in 1983 and changes its name to the Association of MBAs in 1987. By 2015, more than 230 business schools will hold AMBA accreditation.

1967

AACSB begins accepting nonaccredited schools and nonacademic organizations as members.

1968

The University of Alberta in Canada becomes the first school outside the U.S. to receive AACSB accreditation. The University of British Columbia in Canada becomes the second in 1969.

1969

AACSB enters a period of "appraisal and growth," according to AACSB president R.F. Patterson, dean at the University of South Dakota. Business schools still are responding to criticism captured in the 1959 Ford Foundation and Carnegie Foundation reports, which called for business schools to improve the image of business education and adopt more rigorous academic standards. In response, the association adopts new standards requiring that full-time faculty teach at least 75 percent of a business school's programs and that 40 percent to 60 percent hold doctorates, depending on course level. The new standards also call for faculty to be evaluated based on six qualitative criteria: educational background, professional attainment, engagement in curriculum design, research and writing, community service and business contacts, and professional development.

Members debate how to measure these criteria, with some arguing that the required percentages are too high; others, that they are too low. Even so, these standards offer schools greater flexibility to adopt more individualized approaches—another step toward mission-based standards.

1970

The Graduate Business Admission Council is created. It will change its name to the Graduate Management Admission Council in 1976.

1971

The European Foundation of Management Development is founded to support business schools in Europe. EFMD will hold its first conference in Barcelona in 1972 and launch its EQUIS accreditation program in 1997. In 1999, HEC Montreal in Canada will become the first school outside Europe to earn EQUIS accreditation. By 2015, EFMD will have accredited about 145 institutions and have more than 800 members.

1974

Clark Atlanta University becomes the first of the historically black colleges and universities (HBCUs) in the U.S. to earn AACSB accreditation. Howard University will become the second in 1976.

The standards are amended to require that students be exposed to international business, a step that is met with "minor resistance" from some who argue that students at schools in some regions do not need such exposure. "If you start adding items such as the international dimension requirement, then other fields, other aspects of management culture come immediately to the forefront, such as computer orientation," says Paul Garner, AACSB's president in 1964–1965. "There wouldn't be an end to them."

Shortly after the international requirement passes, the Academy of Accounting Historians proposes adding a business history requirement. Membership votes down the proposal.

1976

Membership approves the "five-year rule," in which schools that achieve undergraduate accreditation must do the same for their master's-level programs within five years or else lose their undergraduate credential. This rule represents "a movement toward accrediting the institution rather than individual programs." Later in the decade, this rule will be revised to require schools to seek accreditation for both undergraduate and master's programs simultaneously.

1978

The issue of mission-based standards looms larger. AACSB's Long-Range Planning Committee describes the matter as "a ticking time bomb" for the association, stating in its report that "Our basic conviction is that as we develop a more effective service orientation to our members... in the future the interpretation of our standards and services should probably be more related to the missions of the school."

1978

Debate about creating a separate accounting accreditation—ongoing since the early 1950s—heats up. AACSB, the American Institute of CPAs (AICPA), and the American Association of Accounting each volley to control the process. A sticking point is the distinction between accounting programs that operate under the control of business schools and autonomous schools of accounting, which universities are just beginning to open. AACSB holds that activities of an autonomous school of accounting could jeopardize the accreditation of a business school at the same university. The University of Mississippi is the first to test this boundary with its new school of accountancy, which opens in June 1978. The AICPA takes a stand: If AACSB is not willing to offer separate accreditations for accounting programs, the accounting profession will take on that task itself.

1980

AACSB stands down from its previous stance and ratifies a separate accounting accreditation—with Ole Miss among the first to receive it. Others call to add "specialty accreditations" in other disciplines such as finance, insurance, and marketing, but accounting is the only one to gain traction.

1991

Spurred by the AACSB-commissioned 1988 report by Lyman Porter and Lawrence McKibbin, which emphasized the need for differentiated school missions, AACSB implements mission-based standards that require schools to state clear missions and allow them to leverage their academic strengths. The new standards recognize a wider range of intellectual contributions, including applied research, cases, and textbooks, and establish two new categories for faculty: academically qualified (AQ) and professionally qualified (PQ). They also acknowledge the growing importance of ethics, sustainability, and corporate social responsibility; and they set guidelines for doctoral business education.

While many members believe the 1991 standards will encourage greater diversity and strategic planning, some are concerned about the difficulty the standards present, describing them as "too vague" and open to "secretive and unwritten" interpretation. Others are concerned that the new standards could be the AACSB's way to open up the accreditation process to smaller schools that might otherwise pursue accreditation from the Association of Collegiate Business Schools and Programs (ACBSP), created in 1988. The ACBSP will later become the Accreditation Council for Business Schools and Programs.

1992

AACSB starts a candidacy program for schools interested in pursuing accreditation under the new standards. Advisors work with candidacy schools to conduct self-assessments and determine their readiness to meet the standards. Peer review teams are retrained to evaluate criteria specific to each school rather than "accreditation boilerplate" criteria appropriate for all schools.

1993

The standards are adjusted to require schools to demonstrate ways they pursue diversity in their programs.

1997

ESSEC in France becomes the first school outside North America to earn AACSB accreditation.

2000

2000

AACSB embraces a global strategy and officially changes its name to "AACSB International: The Association to Advance Collegiate Schools of Business."

In response to criticism that the accounting standards are too restrictive (as of 1999, only 72 accounting programs have earned the accreditation), they are changed to recognize different approaches to teaching. References to specific courses such as financial and managerial accounting are removed, and faculty are evaluated based on experience and portfolios of work. The standards will be revised again in 2004 to add qualitative criteria such as student placement and to link content more strongly to regulatory requirements.

2003

After AACSB's Blue Ribbon Committee (BRC) on Accreditation completes a three-year review of the 1993 standards, AACSB revises them to emphasize strategic planning and continuous improvement. It also reduces the years between accreditation and reaccreditation from ten to five, in response to the rapid evolution of management education, accelerated by the impact of the internet, globalization, for-profit competitors, and a shortage of doctorally qualified faculty. AACSB also introduces its assurance of learning standard requiring schools to show that their students are meeting learning objectives.

2013

The BRC announces new mission-based standards. Standards are reduced in number from 21 to 15 and now emphasize efforts in the areas of innovation, impact, and engagement. To acknowledge that different missions require different faculty portfolios, the 2013 standards expand faculty categories from two (AQ and PQ) to four: scholarly academics, scholarly practitioners, practice academics, and instructional practitioners.

"With these standards, we're trying to foster innovation," says AACSB's chief accreditation officer Bob Reid in "15," an article in *BizEd*'s March/April 2013 issue. "If the standards are too prescriptive and too quantitatively driven, we will only create barriers to innovation. There are different missions and models, which schools can choose to execute in different ways."

2016

Schools have adapted well to the 2013 standards, says Reid, who adds that their biggest challenge has been the requirement that they show evidence of impact. "Schools have to think more about: 'What impact do we want to have, how do we want to measure it, and who will document it and tell our story?'" In addition, because the last revisions happened ten years apart, schools have had to make substantial adjustments in a short time. For that reason, AACSB now will review its standards annually to make incremental changes, rather than major changes all at once. "We want to be more proactive in how we adapt the standards to a changing environment," Reid says.

AACSB's next priority is its Visioning Initiative, which identifies future opportunities for business schools—the association will be presenting its new Vision and Mission Statement at its International Conference and Annual Meeting in Boston in early April. Tom Robinson, AACSB's president and CEO, notes that it will be especially important for AACSB to engage more fully with organizations, schools, and students to align business education more closely with practice. "We must encourage and accelerate innovation, so that we can amplify the positive impact business schools continue to have on business and society."

323,000 undergraduate and **217,000** graduate degrees are awarded by AACSB-member schools in 2014.

TRENDS IN AACSB MEMBERSHIP SINCE 1916

	# of U.S. schools	# of schools outside U.S.	# of accredited schools	# of accredited schools outside U.S.
1916	17	0	17	0
1929	40	0	40	0
1944	55	0	55	0
1951	70	0	70	0
1966	120	0	120	0
1967	293	2	126	0
1970	411	23	147	2
1980	563	50	217	2
1990	661	79	272	2
2000	656	160	390	19
2010	670	510 / 73 countries	593	120
2015	655	780 / 90 countries	746	230